THE TERRE HAUTE GENERAL STRIKE

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THESIS APPROVAL SHEET

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PREFACE

The author of this paper has attempted to objectively present The Terre Haute General Strike because it was an event of fundamental significance in the general history of Terre Haute.

Due to the reluctance of officials of the Columbian Enameling and Stamping Company to volunteer information, the author encountered difficulty in obtaining information which might have more clearly presented that company's activities relative to the general strike. The reader, therefore, is advised to keep this qualification in mind.

The author, at this point, would like to express his appreciation for the aid and time given him by Dr. Quentin Bone and Dr. Richard Gemmecke. The author would particularly like to thank Dr. Donald Scheick who served as committee chairman and donated much of his free time in order to make this paper a reality.

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CHAPTER I

BACKGROUND OF THE GENERAL STRIKE

The National Industrial Recovery Act, a product of the great depression and Franklin Roosevelt's first administration, offered the laboring people of the United States the right to organize and bargain collectively with their employers. Under the auspices of this act the American Federation of Labor became very active organizing labor during 1934 in Terre Haute, Indiana. Thomas N. Taylor, locally referred to as "T. N. T.," was the American Federation of Labor representative in Terre Haute; under his direction Federal Labor Union No. 19694 was organized as the collective bargaining agency for the production workers of the Columbian Enameling and Stamping Company.[1] The program of organizing the laborers of the Columbian Company was so successful that by September, 1934, four hundred and fifty of approximately five hundred production workers at the Columbian Company were members of Local 19694.[2]

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[1]The Columbian Enameling and Stamping Company will hereafter be referred to as the Columbian Company.

[2]Labor Relations Reference Manual (Washington, D. C.: The Bureau of National Affairs, Inc., 1937), I, p. 371.

The Columbian Company at that time was engaged in the manufacturing of metal utensils--coated with enamel, zinc, tin, or other substances--for kitchen, hospital, or laboratory use. The company also manufactured wall tile and roof shingles which were both enamelware products. The processes involved necessitated the heating of the metal and enamel to high temperatures thus making certain phases of the work unpleasant.

After the initial stages of organization among employees, union officials on July 5, 1934, proposed an agreement to the management. The agreement, which the management refused to sign, would have governed relations between the employees and the management. In an effort to exert their recently obtained collective bargaining power, the union members voted to strike; they also appealed to the Indianapolis Regional Labor Board to intervene. Dr. Beckner, chairman of the Regional Board, brought the union and the management together to discuss the union proposal. On the basis of the discussion Dr. Beckner drafted a new proposal which both parties signed on July 14, 1934.[3]

The new proposal provided for seniority considerations, rest periods, spreading the work among the workers so as to allow employment for all at reduced hours when the demand for the product slackened. A hearing was to be held upon the dismissal of any employee by a hearing committee composed of employees and management representatives. A minimum of two hours pay was to be allowed for each employee required to report for work; it was a practice at that time to have

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[3] Ibid.

employees report for work and work only a few hours or sometimes not at all. The work day was to be adjusted to eight hours when possible, and a grievance committee was to be established among the workers. The agreement further provided that "in any case in which a satisfactory settlement of a dispute arising under this contract cannot be reached," such a dispute was to be referred to an arbitration committee composed of two representatives from management, two from labor, and a fifth person chosen by the original four; this clause was commonly referred to as the "no-strike clause." The agreement was to be effective for one year and also provided that if either party desired to terminate or modify the agreement, thirty days notice should be given in advance.[4] The union members, after being notified that an agreement had been signed, returned to work on July 16, 1934. The union members and leaders were elated; they had, with the aid of the Regional Labor Board and a three-day strike, forced the Columbian Company to submit to their demands.

Encouraged by this recent victory the union, acting under its constitution, appointed a Scale Committee to deal with the management on future matters. On August 8, 1934, the Scale Committee asked the management of the Columbian Company to establish the check-off system, a system whereby the management would automatically deduct the union's dues from the pay of the union employees and turn the amount over to the union. The plant manager, Mr. Werner Grabbe, informed the union that in order to conform to state law,[5] the employees would

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[4] Ibid.

[5] For further information see Burns Indiana Statutes, sections 40-201, 202, 203, and 204.

have to sign a pay deduction slip every fifteen days. Mr. Grabbe further informed the Scale Committee that the union would have to compensate the company for extra clerical costs if the check-off system were established. The Scale Committee agreed to pay the cost but desired only a single authorization for pay deductions for one year. Mr. Grabbe informed the Scale Committee that in view of the regulation by law the company could not institute the check-off system as the union desired it. The Scale Committee pointed out that for ten years the company had been checking off insurance premiums without authorizations for pay deduction.[6] The union, in October, informed the company that any union members who were delinquent in their payment of dues would be disassociated. The company officials asked the union leaders if this meant that union members would not work with those who were delinquent in their dues payments. The union leaders replied that it meant a delinquent would lose his association rights. The friction caused by the check-off issue made each of the parties a little more determined to resist the supposed aggressions of the other in the event of future disagreements.

The union employees were not satisfied with the original agreement; on October 23, 1934, the union notified the company that it desired a modification to the July 14 agreement but did not state what that modification was to be. The letter containing the union proposal was to serve as the thirty-day notice required by the original agreement whenever a change was contemplated. The company agreed to meet the union to discuss possible modification on November 23, 1934,

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[6]Labor Relations Reference Manual, loc. cit.

but the meeting was postponed till November 26 at the request of union officials. On November 26, 1934, T. N. Taylor and the Scale Committee met with company officials. Mr. Taylor asked that the agreement be modified to include a closed shop and a twenty percent wage increase. Mr. Grabbe replied for the company and stated that the competitive market situation made it impossible to grant a wage increase. On the issue of a closed shop, Mr. Grabbe stated that a closed shop was against the principles under which the company had been operating since 1871. Mr. Grabbe also made it a point to indicate that unrest in the plant had caused increased spoilage in factory production. According to Mr. Grabbe, by October, 1934, it had cost the company five thousand dollars over normal sums of previous years. The unrest Mr. Grabbe attributed to intimidation, coercion, and solicitation for union dues.[7]

Perhaps of all the issues, that of the closed shop was of primary importance to workers of the Columbian Company. Agitation among the union workers for a closed shop began immediately after the original agreement was signed and after the workers had returned to work following a brief three-day strike lasting from July 13 to July 16, 1934.[8] Ninety percent of the workers said that the company was deliberately favoring non-union employees and that an athletic club sponsored by the company was formed whose membership was composed

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[7]Ibid., p. 372.

[8]Interview with Max Schafer, the former Vice President of the Vigo County Central Labor Union, July 7, 1958.

of non-union men.[9] The members of this club were honored by receiving sweaters and dinners. The fact that non-union workers also received special treatment by being given the more favorable jobs also infuriated the union workers.[10] Add to the company favoritism the time-honored argument that non-union workers indirectly received the benefits achieved through collective bargaining without taking on the responsibilities which unionism implies, then it was not improbable that the demand for a closed shop was instigated not by the union leaders but by the rank and file members.[11]

The tension gradually increased and on January 4, 1935, the Scale Committee again presented the demand for a union shop and a wage increase, as well as a demand that the company agree to the laying off of any union members who were suspended from the union. The company replied not to the Scale Committee but to individual workmen by means of a circular letter. The letter informed the workmen that the suspension of union members was a union matter not a company matter, that a closed shop was contrary to the principles of equal opportunity and that a wage increase was impossible due to the competitive factor.[12]

The union on February 5, 1935, asked that the proposals of January 4, 1935, be arbitrated as provided by the original agreement. Again the company reply took the form of a circular letter to the

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[9]"The DePauw Student Report," Terre Haute Advocate, February 14, 1936. p. 3.

[10]Correspondence of Governor McNutt, File 74, Dr. Clude White's labor report, p. 2.

[11]Interview with Max Schafer, July 7, 1958.

[12]Labor Relations Reference Manual, op. cit., p. 373.

individual workers, an unusual procedure which proved highly irritating to union officials, because, in effect, such a procedure denied that the union was the rightful representative of the employees. To justify this unusual procedure, Mr. Grabbe testified that many employees came to him and said they could get no information from the Scale Committee as to what was happening and asked that letters or bulletins be sent out.[13] On February 9, 1935, the union wrote the company and asked that the company not send out circular letters because the union did not want the non-member workers and foremen to have knowledge of union matters; the correspondence also asked that the company deal with the Scale Committee. The company reply was again embodied in the form of a circular letter which stated that misunderstanding often causes loyal employees to lose their jobs through agitation and strikes which the workers do not instigate and which arise from misinformation; therefore all employees are entitled to be informed of union and management relations. A meeting was held between the Scale Committee and the management on March 5, 1935. The Scale Committee protested against the use of the circulars as a means of undermining the members' loyalty to the union. Mr. Grabbe of the management agreed to read all circulars to the Scale Committee and to allow the Committee to state any objections which they might have and make corrections accordingly.

The union on March 5 again tried to crack the immobile front of the company by bringing up the previous proposals of January 4, 1935.[14] In addition to those already discussed, the union had

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[13] Ibid.

[14] See p. 6.

presented eight other proposals. The first stated that the union would cooperate with the company in promoting efficiency. The company replied that the employees were required to work together and were not required to join any organization. The second stated that any employee who was lax in his duty should be reported to a union committee which would assist in correcting the matter. The company replied that it should have full control of such matters at the exclusion of union interference. Proposal number three would have required the company to post a notice stating that the union was the collective bargaining agency for employees of the plant. The company replied that any group of employees was free to discuss problems with the management. The fourth proposition stated that all employees were to correct poor work. The company replied this was already the practice. The fifth stated that various committees of employees were not to discuss grievances during work. The company replied this was already the practice. Proposal number six stated that the union committee agreed to cooperate in enforcing all shop rules to which all parties agreed. The company replied that this was solely within the jurisdiction of the management's control. The seventh proposal stated that the company was to lay off any employees who became suspended from the union. The company refused to agree. The final appeal stated that if at the end of a ninety-day period the unrest within the plant had been eliminated and production loss restored to the normal minimum, the company was to agree to certain minimum wages. The company refused. Since the company position on all these matters was negative, the union sought to settle the issues by resorting to arbitration as provided

in the original agreement. The company refused to arbitrate and stated that this was the management's final decision on the January 4 proposals.[15]

The union members felt that they had no recourse but to strike. The union leaders at this point sought the advice of the Vigo County Central Labor Union; the officers of this organization urged the Columbian union leaders not to strike. Mr. Max Schafer, then Vice President of the Vigo County Central Labor Union, stated, "My opinion on the matter was that they should avoid a strike by all means, in view of the no-strike clause in the agreement and that they should delay the issue until the contract came up for negotiation."[16] Mr. Schafer further stated that all arguments were answered with one cry by the local union leaders: they could not hold the rank and file who demanded that all production workers in the plant become union members or they would strike. The leaders of the local union yielded to the members' pressure, and on March 17 the union sent an ultimatum to the company which stipulated that the previous demands must be met or the workers would strike.[17] The union was adamant in its demand for a closed shop. On March 23, 1935, the strike was called. Four hundred and fifty of approximately four hundred and eighty-five members struck. The union allowed thirty-five union men to keep the plant power-house operating. The management of the Columbian Company announced that the plant would be closed indefinitely after March 30.[18]

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[15] Labor Relations Reference Manual, op. cit., p. 374.

[16] Interview with Max Schafer, July 7, 1958.

[17] Labor Relations Reference Manual, op. cit., p. 374.

[18] Ibid.

During the course of the strike, many attempts to settle it were made. At its outset the Department of Labor sent Robert Mythen, a conciliator, to settle the disturbance. Mr. Mythen stated that all the union desired was a closed shop, which was not an unreasonable request. The company rejected this offer and Mr. Mythen gave up his attempt to settle the strike.[19] On May 10, 1935, the Mayor of Terre Haute, Sam Beecher, requested that union and company officials meet with him in an effort to settle the strike. The union officials were present at the meeting, but the Columbian Company was represented by a letter which stated that since the union demand was for a closed shop, a meeting would be useless. The letter further stated that the company would be willing to rehire all previous employees but only on an open shop basis without union recognition.[20]

The refusal of both parties to come to an understanding only intensified the growing feeling of bitterness. The labor movement in Terre Haute was now solidly in favor of the position taken by the Columbian workers, and as an expression of this solidity a gigantic parade was staged by the labor unions on May 28, 1935. Not only were the unions of Terre Haute participants, but also unions from Clinton, Brazil, Sullivan, Hymera, and Princeton, Indiana, took part.[21] After the parade a rally was held at the Indiana State Teachers College Gymnasium. Among the speakers was the Reverend James Kelly, pastor of the Community Church of Terre Haute. Mr. Kelly denounced a recent

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[19] Terre Haute Advocate, May 10, 1935, p. 1.

[20] Labor Relations Reference Manual, op. cit., p. 375.

[21] Terre Haute Advocate, May 24, 1935, p. 1.

ruling of the United States Supreme Court which nullified the National Recovery Act.[22] Charles Funcannon, Vice President of District 11 of the United Mine Workers of America, praised the cooperation shown by members of the craft unions of Terre Haute and said that the mine workers were willing to back the craft unions. Elizabeth Hogan, an organizer for the Garment Workers of America, called for a united front of Terre Haute labor. "T.N.T." Taylor set the pitch for the rally when he declared, "It's your union that's in jeopardy. The working people of this community cannot afford to lose this strike."[23]

The union position was further embittered due to what the union felt was an unfair labor practice on the part of management, specifically that Columbian Company foremen solicited individual workers to return to work. Several foremen, however, refused to take part in this activity and were highly praised by the November 8 issue of the Terre Haute Advocate.[24]

The management of the Columbian Company as well as union members were under severe tension which only tended to increase the rigidity of the positions they had taken. On June 7, 1935, the management placed an advertisement in the Terre Haute papers which stated that the strike had been called to force the company to discharge non-union employees. The advertisement further stated that

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[22]For further information see "A.L.A. Schechter Poultry Corp. et al. v. United States," United States Reports, Vol. 295, p. 495.

[23]Terre Haute Advocate, May 31, 1935, p. 1.

[24]The Terre Haute Advocate was the local labor paper.

the plant would open without union recognition or agreement and would hire union and non-union men; only on this condition would the plant be reopened.[25]

The union, in an effort to find a solution to the two-and-a-half-month-old strike, called a meeting between the Scale Committee and the Columbian management for June 11, 1935. At this meeting Mr. Grabbe again stated that the plant would open only without union recognition and that the men could come back to work but without any sort of an agreement; if this was not favorable to the strikers, the management would hire other people who would accept employment on the management's conditions. The discussion was not marked by a conflict over wages or working conditions. The Scale Committee was equally unyielding in its demands, stating that the union employees would return to work only on their own conditions.[26]

The union at this point believed that the company was determined to effect a "lock out" to operate the plant without allowing a union to function. Robert Cowdrill, the regional director of the National Labor Relations Board, charged that the company was taking advantage of the Supreme Court's recent decision which nullified the National Recovery Act by refusing to meet union officials or outside mediators.[27] The Columbian management did take advantage of the National Recovery Act nullification; when the plant reopened workers

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[25] Federal Reporter (2nd series; St. Paul: West Publishing Co., 1938), CXVI, p. 950.

[26] Labor Relations Reference Manual, op. cit., p. 375.

[27] Terre Haute Advocate, June 14, 1935, p. 1.

were compelled to take a wage reduction and the number of working hours was increased.[28]

After the failure of the June 11 meeting, the situation deteriorated rapidly. Saturday, June 15, 1935, seven extra guards entered the Columbian plant.[29] The union picketers, in view of the statement made by the Columbian management at the June 11 meeting, believed the management was preparing to open the plant by utilizing "scab" labor and police protection. Since the outset of the strike on March 23, 1935, there had been no violence or damage inflicted upon the plant by the picketers. The news of the arrival of these seven deputies, sworn in by the city officials, caused a large crowd to gather around the Columbian Company Saturday morning June 15, 1935; some windows of the plant were broken. The city police were called to the plant that afternoon, and there was no further disturbance until about midnight. At that time stones were again thrown through the plant windows. There seems to have been a dispute as to whether the stones were thrown from inside or outside the plant. Labor charged that the stones were thrown from inside the plant so as to make it appear that the crowd outside had attacked the plant, and in the eyes of the public labor would thereby be disgraced.[30] Whatever the truth of the matter, a portion of the crowd outside the plant broke into the building and entered the plant offices and there discovered some live

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[28]"The DePauw Student Report," loc. cit.

[29]"General Strike in Terre Haute," The Nation, August 7, 1935, p. 143.

[30]"The DePauw Student Report," loc. cit.

cartridges. These cartridges were thrown down to the crowd still outside the plant. Upon viewing the cartridges, the crowd became a mob and charged into the building. The mob did not attack the part of the plant which housed the machinery but spent their fury on the offices. Desks, chairs, and windows were broken; files were broken open; and records were strewn all over the building. When the mob broke in, the seven special police took refuge in a far corner of the plant, making no effort to halt the crowd. The extent of the damage was estimated to have cost the company from five to ten thousand dollars.[31]

The company officials maintained that the deputies were hired to put a halt to the petty thievery which had been taking place at the plant since the strike began; the placing of the guards in the plant was a move to satisfy the insurance companies.[32] The next day, Sunday, June 16, the special police were escorted from the plant by the city police amid the hoots of two hundred spectators.

The union officials said they could not control the mob because it was led by an outside element; this element has never been identified but is believed to have been strike sympathizers.[33] The Terre Haute Advocate stated that "no one regrets the wrecking of the stamping mill offices more than organized labor and the strikers."[34] The union of Columbian employees ran an advertisement in the Terre Haute papers informing the public that the damage was done by an

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[31]The Terre Haute Star, June 17, 1935, p. 1.

[32]"The DePauw Student Report," loc. cit.

[33]Terre Haute Advocate, June 21, 1935, p. 1.

[34]Ibid.

outside element and that the union itself had placed twenty-four men at points of vantage to protect the plant in the future.[35]

The outbreak of violence aroused the civic leaders of Terre Haute who, with county and city officials, resolved to rid the city of outside agitators. A resolution of the Terre Haute Chamber of Commerce called for a petition to be sent to county and city officials demanding a larger appropriation of funds for extra law enforcement officers. The Terre Haute Chamber of Commerce, in an effort to end the strike, met with T. N. Taylor and the union strike committee on July 2, 1935. The labor committee accused the Chamber of Commerce of insincerity and vested interest. This attempt at settlement was also a failure.[36]

The Chamber of Commerce was anxious to end the labor dispute because it was giving Terre Haute a bad reputation among industrial circles and would tend to drive industry away from the city. The Terre Haute Chamber of Commerce's suspicions were not unfounded, for they remembered that in 1923 the Pennsylvania Railroad had moved its maintenance shops out of Terre Haute because of a prolonged labor dispute. Perhaps even more significant was the invitation of the Evansville, Indiana, Chamber of Commerce for the Columbian Enameling and Stamping Company to relocate in Evansville. The invitation, made public July 5, was declined by the Columbian Company.[37]

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[35] The Terre Haute Star, June 17, 1935, p. 2.

[36] Ibid., July 3, 1935, p. 1.

[37] Terre Haute Advocate, July 5, 1935, p. 1.

The Columbian officials were disturbed by the recent labor attack and the Mayor, Sam Beecher, asked the strike committee if the union would consent to the stationing of armed guards in the plant. The strike committee refused the request.[38] The company's effort to obtain protection for the plant through the proper channels had failed, but this did not deter the management. With the aid of the National Metal Trades Association, approximately fifty "guards"[39] were brought to Terre Haute. Many of the "guards" were residents of the Chicago area. The union officials, upon receiving word that the company was importing "guards," asked the city officials to prevent this action. Contrary to the union's request, the city police met the bus transporting the "guards" at the Terre Haute Memorial Stadium. The "guards" were then placed in trucks and escorted into the plant by the city police. The fact that the city police aided the Columbian management infuriated the strikers. The Columbian Company, when locating in Terre Haute, had been granted the privilege of never having the plant site annexed as part of the city; therefore the Columbian Company was exempt from local taxation. Since this was the situation the strikers did not believe the Columbian Company should have access to police protection.[40]

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[38] Ibid., July 5, 1935, p. 4.

[39] The word "guards" is placed in quotation marks because there was a dispute as to what capacity these fifty employees were to serve.

[40] "Starring Terre Haute," Business Week, July 27, 1935, p. 8.

In what capacity these fifty "guards" were to be used is still a matter of debate. Mr. Grabbe, the general manager of the Columbian Company at that time, states that the men were hired in order to ready the plant for production operation.[41] Mr. Schafer, Vice President of the Vigo County Central Labor Union, believes the "Finks" were imported for the purpose of breaking the strike by protecting "scab" labor which was to be employed in place of the striking workers.[42] The latter opinion seems to be more correct. Besides escorting the fifty imported "guards" to the plant, the city police also escorted a car filled with guns and ammunition from the home of one of the company officials to the plant.[43]

The armed guards were stationed in the plant on July 19; three days later, on Friday, July 22, a group of union representatives representing approximately fifty unions took it upon themselves to lay down an ultimatum. Although they were not authorized to make such a demand, these union representatives declared that unless the "strike breakers" were removed from the Columbian plant by one o'clock Monday morning, July 22, a "labor holiday" would be called in Terre Haute. The union representatives were meeting solely for the purpose of finding funds for supporting the depressed Columbian strikers who had been without wages for twelve weeks.[44] The laboring people of Terre Haute

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[41]Interview with Werner Grabbe, the former General Manager of the Columbian Enameling and Stamping Company, July 10, 1958.

[42]Interview with Max Schafer, July 7, 1958.

[43]"The DePauw Student Report," loc. cit.

[44]Ibid.

had reached an emotional state from which there was no return; they were determined to meet aggression with aggression.

A final attempt was made to end the Columbian strike and in that way to prevent the impending general strike from becoming a reality. On Sunday, July 21, a meeting was called by Mayor Sam Beecher, which was held at the City Hall. The executive board officers of the Vigo County Central Labor Union, the strike committee of the Columbian Union, one member of the executive board of the Chamber of Commerce, and three members of the Merchants Association were present. Mr. Gorby, President of the Columbian Company, and Mr. Grabbe were not present nor were any of the Columbian management, although they had been invited.[45] Those who attended this meeting waited an hour and a half for the Columbian officials to arrive; they never did. When the meeting was adjourned the group walked to the county court house where a mass meeting was being held protesting the hiring of armed guards. This mass meeting did not have the sanction of the officers of the Vigo County Central Labor Union. The officers of the Columbian Union, which was on strike, were not allowed to speak as it was well-known that the American Federation of Labor was opposed to general strike action. Mr. Schafer attempted to walk up the steps of the court house to report to the crowd the failure of the Mayor's meeting that afternoon. The Vigo County Central Labor Union was not in favor of a general strike and for this reason, Mr. Schafer was halted and threatened. The laboring people of Terre Haute were now uncontrollable.[46]

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[45] Ibid.

[46] Interview with Max Schafer, July 7, 1958.

It has been alleged that the general strike was communist-inspired; this is erroneous. It is a fact that the Communist Party had distributed hand bills among the strikers suggesting a general strike be called, but the communist activity was limited only to suggestion not to action. Immediately after distribution, these hand bills were ordered collected and burned, which was done.[47]

Mr. Schafer attempted to point out that a general strike would be regarded as a revolt against constituted authority and that such an action could only result in the suppression of the labor movement in Terre Haute.[48]

All attempts to install reason in the minds of the laboring masses were to no avail; the hysteria which gripped the workers was imbedded too deeply. At one o'clock on Monday morning, July 22, the general strike began with the walk-out of the street car and bus motormen.

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[47]"The DePauw Student Report," loc. cit.

[48]Interview with Max Schafer, July 7, 1958.

CHAPTER II

THE GENERAL STRIKE

All attempts to resolve the Columbian strike had failed, but labor did not fail to make good its threat of a general strike. At one o'clock Monday morning the third general strike in the history of the United States began.[49] The strike began to take effect immediately; at one o'clock bus and street car service was halted when the motormen left their posts in a demonstration of sympathy for the Columbian Company's striking employees.

The majority of the non-laboring people of Terre Haute were taken by surprise when the bulk of their normal daily activities was almost halted on Monday morning. The people of Terre Haute were not fully aware that a general strike was to take place, and many of those who did know that a general strike was about to grip the city were not sure why such an action was proposed. The Terre Haute press was relatively silent about the Columbian strike and gave only scant indication of a proposed general strike. The silence of the Terre Haute press has been attributed to the fact that the local newspapers were dominated by the Chamber of Commerce. The Chamber of

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[49]"Terre Haute No. 3 General Strike City," The Literary Digest, August 3, 1935, p. 9.

Commerce was in favor of having the labor dispute played down in order not to alarm prospective industries which otherwise might not settle in Terre Haute.[50]

The strike was ninety percent effective by about nine o'clock Monday morning. Public transportation was at a standstill, while unionized restaurants, barber shops, filling stations, and taverns were closed. Terre Haute's major industries were also affected; workers of the Wabash Fiber Box Company, the Terre Haute Malleable Corporation, and Hulman's Wholesale Grocery Company went out on strike. Two of the local packing-house companies were closed and practically every retail establishment in the downtown district was closed because the members of the Retail Clerks Union walked out. The Terre Haute Brewing Company plant was closed, and the Building Trades Workmen were inactive. Four coal mines in the immediate vicinity of Terre Haute were closed on Monday, and an additional four closed on Tuesday. The moving picture theaters were also closed, and milk and ice deliveries were halted.[51] A primary target which the strike sympathizers desired to render inactive was the Dresser Power Plant which supplied electrical power for Terre Haute and the surrounding area. Many of the union workers of the Dresser Plant did strike, but electrical power was supplied from a generating station in Calumet, Illinois, until other workers could be transferred to the Dresser Plant. Officials of the Indiana Power

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[50]"General Strike in Terre Haute," loc. cit.

[51]The Indianapolis News, July 22, 1935, p. 1.

Company and the Public Service Company believed that the Dresser Power Plant should continue to operate because the plant not only supplied Terre Haute but the surrounding area.[52] Had the strikers been successful in their attempt to shut off the supply of electrical power to Terre Haute, the consequences could have been grave indeed. One can only imagine the inconvenience and possible calamity which would have resulted. Still, in spite of the magnitude of the strike activity (in Terre Haute), there were many unions which did not walk out in sympathy for the Columbian workers. To do so would have been a violation of the non-striking unions' contracts. Among those unions which did not strike were the typographical unions employed by The Terre Haute Tribune and The Terre Haute Star, the two local newspapers. Because the laboring people believed that these papers were instruments of the Terre Haute Chamber of Commerce, they desired to shut the papers down and did succeed in at least delaying the July 23 issues of The Terre Haute Tribune and The Terre Haute Star.[53]

The sympathetic strikers were evidently not satisfied that all business activity was not halted. In an effort to make the strike one hundred percent effective, bands of sympathetic strikers marched through the downtown district forcing all business establishments to close. Other sympathetic strikers drove through town forcing the more secluded business establishments to close. If a businessman refused to close his establishment, a demonstration was

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[52] Ibid., July 23, 1935, p. 4.

[53] "Starring Terre Haute," loc. cit.

made by the strikers which generally resulted in windows being broken, and abusive language flung at the proprietor.[54] The intimidating strikers evidently met their match in Mrs. J. M. Moore, the proprietor of a neighborhood grocery. Mrs. Moore guarded the entrance to her grocery store with a .32 caliber revolver and is reported to have said, "If they're looking for trouble they'll find it here. My store will be open as usual." Mrs. Moore did keep her store open and was required to hire extra clerks to take care of the increased business activity.[55]

There can be no doubt that the general strike severely interrupted the daily routine of the inhabitants of Terre Haute, but it cannot be said that it placed the people of the community in any serious jeopardy. Grocery stores and filling stations in the surrounding area were open and accessible, and it was impossible for the strikers to keep every store and filling station closed for any great length of time. Perhaps all that can be said of this matter is that the people of Terre Haute were subjected to a great deal of inconvenience. Mr. H. N. Oakley, who then operated twenty-five retail stores in Terre Haute, reported his stores were stocked for three or four days but that fresh meat was not available.[56] Max Schafer gave orders that milk was to be supplied to the homes which contained babies and that doctors and the hospitals were to be supplied with

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[54] The Indianapolis News, July 23, 1935, p. 4.

[55] Ibid., p. 1.

[56] Ibid., July 22, 1935, p. 1.

everything they needed.[57] Life in Terre Haute was inconvenient for a few days, but the reports of starving babies were erroneous.[58]

Although the general strike did not have the sanction of the Vigo County Central Labor Union or the American Federation of Labor, the desired ends of the general strike might have been obtained had the strike sympathizers not made two serious mistakes. First, the original general strike ultimatum did not place a time limit on the general strike. The second mistake was the mob intimidation of non-union businesses.[59] The city officials had no idea how long the general strike would last and did not have sufficient forces to curb the mob intimidation which began Monday morning, July 22, 1935. For these reasons the city officials sent a telegram to Governor Paul McNutt asking that he intervene and reestablish law and order. The Governor took a strong measure; martial law was declared, and National Guard troops were brought into Terre Haute to enforce the Governor's proclamation. The enforcement of martial law proved detrimental to the cause of the Columbian strikers because the proclamation forbade large numbers of people from congregating, hence there could be no picketing. A strike cannot be effective without picket action.

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[57]Interview with Max Schafer, July 7, 1958.

[58]The erroneous reports were the results of an error in interpreting a letter publicized in the July 24 issue of The Terre Haute Star. A woman had written to the Volunteers of America asking for ice because her baby's milk was souring due to the severe heat wave then in progress. Had the woman been able to purchase ice, she could have purchased it on Tuesday, July 23. The general strike halted the delivery of ice only on Monday, July 22.

[59]"The DePauw Student Report," loc. cit.

There seems to be some doubt as to whether or not the Governor's action of proclaiming martial law was justified. Max Schafer states that in view of the fact that the city officials asked for assistance, one must conclude that the Governor's action was justified.[60] Sheriff William Baker, who had only eight deputies, is reported to have said, "When these wild men refused to allow milk companies to deliver certified milk for babies, I realized that the situation was out of control and joined in the appeal for troops."[61]

Justified or not, Governor McNutt did proclaim martial law; the proclamation follows:

> Acting under and by virtue of the Governor of Indiana, the National Guard of Indiana assumes control of all that territory included in Vigo County. This territory hereby designated as the Military District until further notice is under military control.
>
> It is the purpose of the military authorities to conduct the affairs of this district in cooperation with the civil authorities, which become for the time being an agency of the military authorities.
>
> The following notice is given to all persons in the district herein designated as being under military control.
>
> a. No assembly will be permitted in the district.
>
> b. No persons other than the police, military authorities, and troops will be allowed to carry arms or weapons of any description.
>
> c. No persons other than those authorized by the military authorities may ingress or egress from the district.

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[60] Interview with Max Schafer, July 7, 1958.

[61] The Indianapolis News, July 23, 1935, p. 4.

d. All crowds, picketers, and other assemblages will disperse immediately.

The troop and police, including special deputies, are charged with the carrying out of these orders which will be rigidly enforced.

All persons within the limits of the district are admonished to observe and rigidly comply with these instructions.

Any citizen having a petition to present or complaint to make will present the same to the commanding officer for his considerations.

This proclamation is effective on and after 5 P.M. July 22, 1935.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the state of Indiana, at the capitol, this 22nd day of July, 1935.

Paul V. McNutt, Governor

Attest: August G. Meuller, Secretary of State.[62]

The troop contingents arrived late Monday evening; they numbered one thousand and twenty-three enlisted men and were commanded by sixty-six officers.[63] Brigadier General Wray DePrez was the immediate officer in full command.

Shortly before dawn on Tuesday morning six hundred troops were sent to the Columbian plant. As the troops were being unloaded from the trucks, a crowd of about two thousand rushed toward the troops in an effort to halt them from entering the Columbian plant. The Terre Haute city police who were on the scene fired tear gas into the crowd while the guardsmen proceeded to move against the crowd

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[62] The Terre Haute Tribune, July 23, 1935, p. 1.

[63] Letter from Paul McNutt, Governor, State of Indiana, Indianapolis, Indiana, July 11, 1936.

using reversed rifles. The crowd was forced back against a fence which gave way, and the crowd then dispersed, running between houses and down alleys.[64] After the crowd was dispersed, the troops surrounded the Columbian plant, machine guns were set up, and outposts were placed two blocks away from the plant and in all directions.

Shortly before noon on Tuesday a mob again was forced to dispel from around the Columbian plant. The troops were aided by a heavy rainfall; one and twenty-eight hundredths of an inch fell in a forty-eight minute period. One guardsman was injured when a rock broke two of his ribs. Approximately a hundred demonstrators were arrested by the troops. Evidently the troops stationed around the Columbian plant were in no mood to be very cautious. An unidentified motorist fled from his car when the troops discovered the car behind their lines and halted it with rifle fire.[65]

Troop activity was not limited to the area around the Columbian plant. Truck loads of troops drove up and down the streets; as a result many businesses ventured to open. Guardsmen were also stationed around the Dresser Power Plant and the city water works; the two local newspapers were also under troop protection. The strike sympathizers had not given up their attempt to cut off the supply of electrical power to the city; chains were thrown over the power lines in an effort to short-circuit the system, but the effort failed.

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[64] The New York Times, July 24, 1935, p. 2.

[65] The Terre Haute Star, July 24, 1935, p. 1.

The declaration of martial law in itself became an issue which tended to overshadow the significance of the general strike. The headlines of the July 23 The Indianapolis News read, "Troops Quell Terre Haute Demonstrators," while on the first page of the July 23 issue of The New York Times, a byline read, "Terre Haute Put Under Troop Rule in General Strike."

In Terre Haute the issue of martial law did not divide the city; the city was already divided on the issues of the Columbian strike and the general strike. The laborers viewed the declaration of martial law as an act of strike breaking; the laboring people were further disturbed by the declaration of martial law because many strike sympathizers were arrested for no apparent reason. From the time the troops arrived on Monday evening, July 22, until Friday, July 26, one hundred and eighty people were placed under arrest by the military. Only nine, however, remained in jail on Friday.[66] Among the individuals arrested was Dr. J. R. Shannon, a professor at Indiana State Teachers College. The reason for Dr. Shannon's arrest is not clear; some reports indicate that he threw stones at the troops while others state that Dr. Shannon was arrested because, upon being ordered to move, he asked why. The latter reason for the arrest seems to be more correct.[67]

The troops proved very effective in reestablishing order. By Tuesday, July 23, the general strike had been broken. On this

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[66] Ibid., July 26, 1935, p. 2.

[67] The Indianapolis News, July 24, 1935, p. 1.

day the management of the Columbian Company agreed to meet with the strike committee. The arrangement of this proposed meeting was the work of Charles L. Richardson and Harry L. Sheck, representatives of the Department of Labor who had arrived in Terre Haute on Monday, July 22. "T.N.T." Taylor in a radio broadcast at half past nine o'clock Tuesday evening called the general strike off and asked the participants in the general strike to resume work. Mr. Taylor informed the public that a meeting between the management and the workers of the Columbian Company would take place shortly, and therefore a continuance of the general strike was not needed. It is significant to note that although Mr. Taylor was not among those representatives who called for a general strike, he agreed to proclaim its end.[68]

When the demonstrators in the vicinity of the Columbian plant learned of the announcement calling for an end to the general strike, they became riotous and the National Guardsmen were forced to disperse the crowd with tear gas for the fourth time on Tuesday.

The return to normality began at half past four o'clock Wednesday morning, July 24, when the bus and street car service was resumed. The headlines of the Wednesday, July 24, issue of The Terre Haute Star jubilantly read, "General Strike Ends." In the same issue of this paper there appeared a formal announcement stating that since the Department of Labor conciliators had arrived, there would be no need for further action on the part of the

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[68]"The DePauw Student Report," loc. cit.

sympathetic strikers. The announcement was signed by L. G. Brown, Otis Cox, and M. G. Heuer, who were respectively, President, Secretary, and Treasurer of local Union 19694, the union which was striking against the Columbian Company.

The Columbian strike issue had been subverted in the public's mind by the more spectacular issues of the general strike and martial law. Wednesday morning was relatively quiet, at least quiet enough to allow the Columbian plant to resume production utilizing non-union labor.[69] The workers entered the plant under the protection of the National Guardsmen who were still stationed around the Columbian plant. On the basis of the above information, it is easy to see why the majority of laborers of Terre Haute felt that the Governor's action in declaring martial law was in direct opposition to the ends they desired to achieve. The laboring people of Terre Haute failed to achieve all they demanded for the Columbian strikers, but President Gorby of the Columbian Company did agree to make one concession besides meeting with the Scale Committee; he agreed to remove the fifty or so imported guards. Actually this was only a token gesture because martial law was still in effect. Therefore the imported guards served no purpose. The hired guards were slipped out of the Columbian plant a few at a time and by Sunday, July 28, all of them were gone. Before all the hired guards were released, four of them were successful in embarrassing the Columbian Company. These particular four guards left the Columbian plant

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[69] Labor Relations Reference Manual, op. cit., p. 370.

Thursday evening, July 25; they had armed themselves with tear gas bombs before leaving, and in an effort to relieve their pent-up tensions they proceeded to Terre Haute's "red light" district where they were arrested for causing considerable disorder. Of the four men arrested, one was from Terre Haute, and three were from East Chicago.[70]

Mr. Gorby, on Tuesday, July 23, had told the Department of Labor conciliators he would meet with the Scale Committee of the striking union employees. Changing his mind, Mr. Gorby refused to meet with the Scale Committee and declared that "no real adjustment of any difficulties which exist or may have existed between ourselves and our employees can be made through the efforts of conciliation."[71] Mr. Gorby was able to take the stand he did because between July 23 and August 19 the Columbian Company received three thousand applications for employment. And by August 19, 1935, one hundred and ninety employees who had been union members had returned to work on a non-union basis. The Columbian strike had been in effect since March 23, 1935. The striking workers had been subsidized by the other unions of Terre Haute, but the subsidy was not great enough, and the beleaguered strikers were forced to seek employment.

One can conclude that the Columbian strike was positively broken by August 19. The strikers' position had not been helped by the loss of picketing due to military authority until August 4 when it was resumed.[72] Without a picket line to cross there is nothing

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[70]The Indianapolis News, July 26, 1935, p. 1.

[71]Ibid., August 1, 1935, p. 2.

[72]The Federal Reporter, op. cit., p. 951.

but a man's conscience to deter him from accepting non-union employment.

The tension in Terre Haute began to dissipate gradually after Wednesday, July 24. The troops were forced to disperse a crowd milling about the Twelve Points area in northern Terre Haute, Wednesday night. The Twelve Points area is located ten blocks away from the site of the Columbian plant. The troops in routing the crowd arrested eleven individuals and closed eleven taverns in order to prevent any further outbreaks.[73]

All assemblages were forbidden by the Governor's proclamation; this order was still in effect on Wednesday. Many people in the town were disturbed by that fact that church meetings were forbidden on Wednesday evening, but a baseball game was held without interruption. The restrictions on assemblages were gradually lifted, and by Friday evening church meetings were again permitted. The situation was not without its lighter side, however. An Elks' clambake held on the northern edge of the city was mistakenly broken up by National Guard troops.[74]

The situation had become peaceful enough by Sunday, July 28, to allow the National Guardsmen to attend church services. On July 29, only two hundred guardsmen remained at the Columbian plant, and on August 1, the number of troops was reduced to a mere fifteen, simply a token force.[75] Although the number of troops had been reduced

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[73] The Terre Haute Star, July 25, 1935, p. 1.

[74] The Indianapolis News, July 25, 1935, p. 2.

[75] Ibid., August 1, 1935, p. 1.

greatly, martial law was to remain in effect for approximately six months.

Perhaps the outstanding feature of the general strike in Terre Haute was that it was a relatively peaceful demonstration. In spite of the pitch to which the participating factions had been aroused, there were no extreme acts of violence like those which often accompanied lesser labor disputes in other sections of the country at that time.

The physical injuries suffered were few; two National Guardsmen were injured by thrown objects, and one woman had her hand badly lacerated when she grabbed a Guardsman's bayonet in an attempt to break through the troop lines.

To be sure, there were threats of violence and some petty vandalism inflicted upon the property of the individuals concerned. Mr. Floyd Dix, who was then director of the Chamber of Commerce, received threatening phone calls but nothing of a serious consequence happened.[76] Mr. Werner Grabbe, General Manager of the Columbian Company, reported that several of the windows in his home were broken by vandals and that he received threats also.[77] Mr. Max Schafer, Vice President of the Vigo County Central Labor Union, reports that his car was forced to the side of the street and halted by an unidentified number of men in another car, but Mr. Schafer was successful in backing

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[76]Interview with Floyd Dix, the Former Director of the Chamber of Commerce, July 6, 1958.

[77]Interview with Werner Grabbe, July 10, 1958.

away before any injury could be inflicted on his person or property if this is what these men had in mind.[78]

In view of the fact that there was no loss of life and no severe property damage, one must conclude that the general strike in Terre Haute was a relatively peaceful demonstration.

A person might ask if the labor movement accomplished the purpose for which it was perpetrated. The general strike seems to have been motivated by a desire on the part of the laboring people to rid the town of the imported guards hired by the Columbian Company. The guards were removed from the Columbian plant, and on the basis of this one might conclude that the action did achieve its desired ends. Beyond this immediate objective was the desire on the part of the laboring people of Terre Haute to help the beleaguered Columbian strikers win recognition and a closed shop. In this respect the strike sympathizers failed. Under the protection of the National Guard, the Columbian Company was able to re-open with non-union labor. On this basis one must conclude that the general strike was an ill-advised action.

The general strike was to have a great effect upon the future of Terre Haute and was to give rise to subsequent issues.

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[78]Interview with Max Schafer, July 7, 1935.

CHAPTER III

AFTERWARD

The subsequent issues which afterward developed out of the general strike were the revocation of martial law, and the legal settlements of the Columbian dispute. The effect the general strike has had upon Terre Haute will also be discussed in this chapter.

The general strike lasted only two days, but it was not easily forgotten. The business and professional men of Terre Haute had suffered as a result of the uncontrolled mob action during the general strike and were very apprehensive about troop reductions which began on Wednesday, July 24.[79] By August 1, only fifteen National Guard troops were left on duty in Terre Haute. The business and professional men of Terre Haute felt that the reduction of troops would be the signal for renewed labor violence which might result in a further loss to the business and professional men. In an effort to meet the possible threat of renewed labor aggression, a meeting of the business and professional men was called for Monday, July 29. Those

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[79]Mort F. Hayman, Secretary of the Chamber of Commerce, reported on p. 1 of The Terre Haute Star, July 25, 1935, that the business men of Terre Haute suffered a half million dollar loss as a result of the general strike.

who attended the meeting were leaders of the Terre Haute Retail Merchants Association, Chamber of Commerce, Manufacturers and Employers Association, and the Terre Haute Real Estate Board.[80] More than three hundred men attended this meeting and pledged themselves to uphold law and order. Those attending this meeting stated that they were opposed to ". . . violence and mob rule, believing that every citizen should be protected from any activities which seek by violence, intimidation, or coercion to prevent one from peacefully going to his daily work or attending to his business affairs."[81] Copies of the pledge taken by these men were distributed to the citizens of Vigo County. Those who took the pledge were organized into the Terre Haute Law and Order League.[82] The Law and Order League in an effort to back its pledge hired First World War Veterans for a dollar a day to act as an unofficial police force.[83]

The majority labor people of Terre Haute were, of course, violently opposed to the formation of this Law and Order League. The Terre Haute Advocate labeled the Law and Order League a "smoke screen for Fascism."[84] Labor was not the only group opposed to the Law and Order League; the Protestant Ministerial Association and the Y. W. C. A. refused to back the League on the grounds that it was a class movement, composed only of employers.[85] An extreme point of view was voiced by

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[80]The Indianapolis News, July 29, 1935, p. 2.

[81]Ibid., July 30, 1935, p. 3.

[82]The Terre Haute Law and Order League will henceforth be referred to as the Law and Order League.

[83]Terre Haute Advocate, August 9, 1935, p. 1.

[84]Ibid.

[85]"The DePauw Report," loc. cit.

Professor J. R. Shannon of Indiana State Teachers College. Professor Shannon stated that he believed the Law and Order League was organized for the following purposes:

1. To break strikes and to destroy all labor unions by January 1, 1936.
2. To obtain low wage standards in Terre Haute.
3. To harass and embarrass all people known to be sympathetic toward any movements designed to change the status quo, even to the extent of driving such obnoxious characters out of Indiana.
4. To finance the employment of special police to help in consumating objective number three.
5. To continue military law in Vigo County.[86]

Professor Shannon further stated that the Law and Order League was seeking to instill Fascism in Terre Haute.[87]

Although the Law and Order League had hired special police, they were never used by the League to enforce its pledge.

In respect to the stand taken by the business and professional men of Terre Haute, the laboring people of Terre Haute took almost the opposite stand on the issue of martial law. A Labor Defense Committee was organized immediately following the general strike in an effort to obtain the following goals:

1. To revoke martial law.
2. To re-establish fair play for the worker and end employer coercion.

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[86] Ibid.

[87] The fear of Fascism as voiced by Professor Shannon and the Terre Haute Advocate may seem humorous to the reader, but it must be remembered that the period under consideration was 1935, and Fascism was quickly enveloping Europe at this time.

3. To maintain the right of workers to organize.

4. To return to the workers their constitutional rights.[88]

Labor in Terre Haute was anxious to have martial law revoked because it had prevented picketing action at the Columbian plant for about two weeks. Picketing was allowed to be carried on at the Columbian plant after August 4; nevertheless, labor was fearful that in the event of another prolonged labor dispute the restrictions on picketing might again become an actuality. The Columbian union, which was still on strike, believed that the police and the Law and Order League were trying to create strife so that martial law would be rigidly enforced.[89] Labor in Terre Haute was further incensed because a few of the National Guardsmen used to enforce martial law came back to Terre Haute and accepted employment with the Columbian Company on a non-union basis.[90]

The labor movement in Terre Haute shortly found a staunch ally in its fight for the revocation of martial law. The Socialist Party, always looking for a potential election issue, came to the aid of the Labor Defense Committee. The Socialist Party, in protest of the declaration of martial law, sent Leo Vernon of Wisconsin to Terre Haute. Mr. Vernon attempted to hold a meeting on the steps of the County Court House and was promptly arrested for violating martial law. Powers Hapgood, the Socialist candidate for Governor of Indiana

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[88]"The DePauw Student Report," loc. cit.

[89]Terre Haute Advocate, September 13, 1935, p. 1.

[90]Interview with Werner Grabbe, July 10, 1958.

in 1932, the year Paul McNutt was elected, came from Indianapolis to aid Vernon. Mr. Hapgood denounced martial law and said he would not refrain from speaking in public, whereupon he also was arrested and jailed. The publicity which followed the arrest of these two men forced the military commander, Major Earl Weimar, to release them with the warning they were not to speak to more than two people at a time on the street. Norman Thomas, the Socialists' habitual presidential candidate, then came to the assistance of Vernon and Hapgood. A public meeting was proposed in order to test Major Weimar's ruling. The meeting was highly publicized and was held on the Court House steps August 29, 1935. It was rumored that the meeting was to be interrupted by Major Weimar. Max Schafer acted as the chairman of the meeting and was to introduce Norman Thomas as the main speaker. As Schafer and Thomas approached the steps of the Court House, a reporter ran up and told Schafer that an order from Governor McNutt had just come over the wire instructing Major Weimar that the meeting was not to be interrupted.[91]

Norman Thomas proceeded to give his speech in which he denounced martial law as an arbitrary act on the part of that "handsome Hoosier Hitler, Governor Paul McNutt."[92]

In spite of the strong backing from the Socialist Party, martial law was not revoked; the labor movement in Terre Haute then sought the aid of the courts. Under the direction of Joseph Jacobs, a Chicago attorney and representative of the Chicago Federation of Labor, and Harlan Woodsmall of Terre Haute, a petition was filed

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[91]Interview with Max Schafer, July 7, 1958.

[92]"Hoosier Hitler," The Nation, September 18, 1935, p. 324.

asking for a permanent injunction against the enforcement of martial law. The petition was filed in the District Court of the United States for the southern district of Indiana in the Indianapolis division. A hearing was held on September 20, 1935.

The representatives of the defendant, Governor McNutt, were Fred A. Wrecking and Edward Barce, both assistants to the Attorney General of the state of Indiana, Phillip Lutz. Mr. Barce contended that under the constitution and state laws, the defendant had the right to declare martial law "when the civil authorities had fallen down."[93] Mr. Barce further contended that although the writ of habeas corpus had been suspended under martial law, this was not illegal because the nature of martial law made the suspension necessary. Those who were arrested and denied a writ of habeas corpus had placed themselves in that position by refusing to obey the orders of the officer in charge of executing martial law.[94]

The complainant, the Labor Defense Committee, contended that the declaration of martial law was being enforced unconstitutionally and was therefore unconstitutional. The complaint cited specifically the wording of the proclamation, which stated that the civil authorities shall be agents of the military authorities. The complainants felt that this method of enforcing martial law was unconstitutional. The complainant further stated that martial law could be proclaimed only when there was actual war and the state was confronted by armed forces.[95]

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[93] The Terre Haute Tribune, September 20, 1935, p. 1.

[94] Ibid., p. 6.

[95] Ibid.

On October 7 the court handed down a ruling upholding the declaration of martial law and denied the petition of the complainants, the Labor Defense Committee. The decision of the court was given by Judge Robert C. Baltzell of the southern district Federal court. William M. Sparks of the United States Circuit Court of Appeals and Thomas W. Slick of the northern Indiana district court tried the case with Judge Baltzell. The court maintained that in view of the fact that the civil authorities had asked the Governor for assistance, the Governor's action was not an "arbitrary action and he had acted entirely within his rights."[96]

The Labor Defense Committee had met defeat for the second time in its fight against martial law, which had now been in effect for three months, but the Labor Defense Committee was not yet ready to give up its battle. Letters bombarded the Governor and a labor committee headed by Max Schafer went to see the Governor. Mr. Schafer asked why martial law was still in effect in Sullivan County. In part the Governor replied, "I can't tell you the reason, but there is a reason and it's a damned good one."[97]

The labor movement in Terre Haute was concerned that martial law had remained in effect for such a long period; they were fearful that it would be extended in Vigo County as long as it had been in Sullivan County (martial law had been in effect there since 1932,

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[96] Ibid., October 7, 1935, p. 1.

[97] "The DePauw Student Report," loc. cit.

when Governor Leslie had been forced to proclaim martial law due to a labor disturbance).[98]

There can be little doubt that Governor McNutt was just as anxious to end martial law in Vigo County as were the labor people. The declaration of martial law had been used to quell a labor disturbance, but it was the working class to which the Democratic party was appealing as its primary source of strength, and Governor McNutt was a Democrat. In an effort to reach a decision on the revocation of martial law, Governor McNutt on October 18, 1935, met with the mayor of Terre Haute, Sam Beecher, the Vigo County Prosecutor, Ray Kearns, and Sheriff Baker. There were also two members of the executive board of the Vigo County Central Labor Union present at this meeting.

The decision made at this meeting would have revoked the martial law proclamation, but an unfortunate incident occurred which altered the original decision. A strike was in progress at the Terre Haute Malleable Company which was situated in the same neighborhood as the Columbian plant. An unidentified person threw bombs in the immediate vicinity of the Malleable plant; no damage was inflicted on any person or property, but the Governor did not believe that such action warranted the revocation of martial law.[99]

Labor's fight for the revocation of martial law progressed; in January, 1936, an incident occurred which facilitated the labor

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[98]"Hoosier Hitler," loc. cit.

[99]Terre Haute Advocate, October 18, 1935, p. 1.

struggle by proving very embarrassing to the Governor. Major Earl Weimar, commander of the handful of troops still stationed in Terre Haute, and two of his men made a spectacle of themselves in the tavern of Tony Polifroni. The major and his two men ordered drinks and were refused, whereupon they drew their revolvers, obtained their drinks, and then closed the tavern. Five witnesses to this event swore affidavits before a Notary Public.[100]

The indiscretion of Major Weimar, coupled with the fact that the city officials of Terre Haute notified the Governor that martial law was no longer needed, led to its revocation on February 10, 1936.[101] The Governor was anxious to end martial law in Vigo County because it was also in effect in Floyd and Clark Counties due to labor disputes.[102]

Of paramount importance to the labor movement in Terre Haute was the desire to have the prolonged Columbian labor dispute settled in the proper channels. The Columbian dispute first found its way to the National Labor Relations Board, then to the Circuit Court of Appeals, and finally to the Supreme Court of the United States.

The Columbian Union No. 19694 filed a charge against the Columbian Company for committing unfair labor practices in violation of the National Labor Relations Act. The charges were filed on October 31, 1935, and on November 21, 1935, the National Labor

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[100] *Ibid.*, January 7, 1936, p. 1.

[101] *Ibid.*

[102] *Ibid.*, January 24, 1936, p. 1.

Relations Board filed a complaint against the Columbian Company. Beginning on December 9, 1935, a preliminary hearing was held at Terre Haute; Daniel M. Lyons sat as trial examiner, and testimony was taken. On December 16, 1935, the National Labor Relations Board directed that the proceedings be continued before the Board.[103]

The complainant, Union No. 19694, contended that the production workers of the Columbian Company constituted a unit for the purposes of collective bargaining according to the National Labor Relations Act. The complainant further stated that on or before March 22, 1935, and at all times since this date, the majority of the employees within the unit had designated the union as its exclusive collective bargaining agent. On July 22, September 20, and October 11, 1935, the union requested the Columbian Company, the respondent, to bargain collectively on rates of pay, wages, hours, and other conditions of employment. On these dates and at all times afterward the Columbian Company refused to bargain with the employees on a collective basis. On March 22, 1935, the union duly voted to strike, and since that date the union had not voted to end the strike. The Columbian Company, on many occasions since July 5, 1935, had solicited individual union members to return to work and had also threatened the employees with permanent discharge if they did not return to work. Many union employees returned to work as a result of the Columbian Company's solicitation and threats which the complainant contended were acts of unfair labor practices.[104]

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[103] Labor Relations Reference Manual, op. cit., p. 371.

[104] Ibid., p. 369.

The Columbian Company filed its answer to the union charges which was essentially as follows: The Columbian Company contended that the National Labor Relations Act was null and void because it violated the Fifth Amendment to the Constitution of the United States, and that the National Labor Relations Act could not apply to the Columbian Company because the Columbian Company was not engaged in interstate commerce. The Columbian Company's main defense was that the unfair labor practices as charged by the union did not constitute unfair labor practices. Furthermore, in view of the fact that the union had violated its agreement which contained a no-strike clause and that the Columbian Company had, since the strike began, hired a new force of working employees, a controversy had ceased to exist between the Columbian Company and Union No. 19694.[105]

The National Labor Relations Board rendered its decision on February 14, 1935. The Board concluded that Union No. 19694 was a valid collective bargaining agent for the employees of the Columbian Company. The Board further concluded that in view of the fact that the Columbian Company refused to bargain collectively and interfered with the employees' rights to bargain collectively, the Columbian Company was guilty of committing unfair labor practices.[106]

On the basis of its decision the National Labor Relations Board ordered the Columbian Company to carry out orders which were substantially as follows:

1. Discharge from employment all production employees who were not employed on July 22, 1935, and then

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[105] Ibid.

[106] Ibid., p. 380.

reinstate those individuals who had been employees before July 22, 1935. Those individuals who were discharged as a result of this order were to be put on a list and rehired at the first opportunity.

2. The Columbian Company is henceforth to recognize Union No. 19694 as the collective bargaining agent for the employees reinstated as a result of the first paragraph of this order.

3. The Columbian Company is to put into effect the first two paragraphs of this order within thirty days from the date of this order.[107]

Seemingly, union employees of the Columbian Company had won a legal victory, but the National Labor Relations Board had to turn to the Federal courts for the enforcement of the Board's order. The Board petitioned the Circuit Court of Appeals, Seventh Circuit, for the enforcement of the Board's order.

The Court, in making its decision on April 28, 1938, considered three issues:

1. The constitutionality of the National Labor Relations Act.

2. Whether there is evidence to support the Board's finding of unfair labor practices, and if so, whether interstate commerce, if found to exist, is thereby burdened.

3. Whether the Board's order is valid. If so, whether it can be enforced to the detriment of the intervenors, present employees.[108]

The court held that the National Labor Relations Act was valid and that the Columbian Company was engaged in interstate commerce.

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[107] Ibid.

[108] Federal Reporter, op. cit., p. 95.

In determining whether or not the Columbian Company had committed unfair labor practices, the court first referred to the original agreement made between the Columbian Company and Union No. 19694 on July 14, 1934.[109]

The court held that according to the agreement of July 14, 1934, the union agreed not to strike for a one-year period, but in violation of this agreement the union struck three months before the agreement would have terminated. Furthermore, the National Labor Relations Act did not become a law until approximately three months after the union struck; therefore the union was not governed by the act at the time it struck. Once the union had struck in violation of its agreement, the union then ceased to be a legal collective bargaining agent of the employees and consequently was not governed by the National Labor Relations Act at any subsequent time. On these grounds the court denied the National Labor Relations Board's petition for the enforcement of its order.[110] Judge Evans delivered the decision; Judge Sparks concurred, but Judge Treavor dissented. Judge Treavor contended that the employees, regardless of the fact that they violated their agreement, were nevertheless the employees of the company and therefore governed by the National Labor Relations Act.[111]

The decision of the Circuit Court of Appeals was a bitter pill for the union to swallow, but the legal battle was not over. The

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[109]See page 6.

[110]Federal Reporter, op. cit., p. 954.

[111]Ibid., p. 955.

National Labor Relations Board then appealed the case to the Supreme Court of the United States. In considering the case the Supreme Court stated that the primary factor in considering whether or not the Columbian Company had committed an unfair labor practice was the fact that the Columbian Company had refused to negotiate with the union on July 23, 1935.[112] The Supreme Court held that sufficient evidence had not been given to substantiate the union's claim that the Columbian Company had refused to bargain collectively on July 23, 1935. On the basis of this technical question the Supreme Court sustained the decision of the Circuit Court of Appeals and the decision of the National Labor Relations Board was hence invalid.[113] The decision of the Supreme Court was delivered by Mr. Justice Stone; Mr. Justice Frankfurter took no part in the decision, while Mr. Justice Black and Mr. Justice Reed dissented. The latter two held in their dissent that it was not the duty of the Supreme Court to make inferences from the facts in the case, but that this was the duty of the National Labor Relations Board. The dissenting justices further stated that it was the Columbian Company which broke the original agreement and not the union; therefore the decision of the Circuit Court of Appeals should have been reversed and the decision of the National Labor Relations Board upheld.[114]

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[112] United States Supreme Court Reports (Lawyers' Edition, October Term, 1938; Rochester, New York: The Lawyers Co-operative Publishing Co., 1939), XXXVIII, p. 662.

[113] Ibid., p. 665.

[114] Ibid., p. 668.

The Supreme Court decision, although a legal defeat for Terre Haute labor, was at the same time a moral victory. The Supreme Court had ruled on a technical error and not on which party was right or wrong. Regardless of the nature of labor's dubious victory, the fact remains that at the date of the writing of this paper the Columbian Company operates utilizing no union labor.

The general strike of 1935 had a tremendous but immeasurable negative effect upon the city of Terre Haute. The immediate effect of the general strike upon the city was a financial loss of approximately a half million dollars.[115] The long-range effect of the general strike was of a more serious nature. Mr. Floyd Dix, the director of the Chamber of Commerce at the time of the general strike, stated that the strike, ". . . set the town back for twenty-five years. New industry refused to move into the town; the town still has a reputation for being a bad labor town."[116]

Dr. Robert Drummond states that the general strike resulted in a severe economic set-back for Terre Haute and tended to increase the suspicions which previously existed between labor and management before the general strike. Dr. Drummond concludes that both these factors, the economic set-back and the increased suspicions, greatly contributed to Terre Haute's period of non-growth.[117]

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[115] The Terre Haute Star, July 25, 1935, p. 1.

[116] Interview with Floyd Dix, July 6, 1958.

[117] Robert Drummond, "Terre Haute, A City of Non-Growth" (unpublished Ph.D. dissertation, Department of Geography, Northwestern University, 1953), p. 181.

Had the consequences of the general strike been understood before the strike became a reality, the ill-advised action might never have been enacted. It was unfortunate the two parties responsible for the strike were so engrossed in their conflict that they could not see they were inflicting a great deal of harm upon the other residents of the city. It is perhaps even more unfortunate that the residents not directly involved did not make a more concentrated effort to avoid the strike; had they done so, it is possible that the subsequent economic history of Terre Haute might have been more favorable.

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